

Message Text

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PAGE 01 KHARTO 01511 01 OF 02 041037Z

ACTION EB-07

INFO OCT-01 AF-10 EUR-12 ISO-00 COME-00 /030 W

-----041051Z 124207 /12

R 031110Z MAY 77

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 4298

INFO AMEMBASSY ATHENS

UNCLAS SECTION 1 OF 2 KHARTOUM 1511

ATHENS FOR RTDO

FOR EB/OCA AND AF COMMERCIAL COORDINATOR

E.O. 11652: N/A

TAGS: BEXP, AFSP, SU

SUBJECT: FY 1978 COMMERCIAL ACTION PROGRAM: SUDAN

REF: A. STATE A-1111; B. STATE 06311

BEGIN SUMMARY: ECONOMIC RELATIONS HAVE DRAMATICALLY IMPROVED AND US EXPORTS NOW EXCEED 100 MILLION US DOLLARS. ARAB INVESTORS ARE PLANNING MULTI-BILLION INVESTMENT PROGRAM FOR SUDAN IN COMING YEARS. GIVEN ITS GREAT AGRICULTURAL POTENTIAL, SUDAN OFFERS ONE OF THE MOST IMPORTANT AGRI-BUSINESS TRADE OPPORTUNITIES OF DECADE. ONGOING EXAMINATION OF WORKLOAD AND TRADE OPPORTUNITIES MAY LEAD EMBASSY TO REQUEST ADDITIONAL E/C FSO POSITION LATER THIS YEAR. 1977 COMMERCIAL ACTIVITIES INCLUDED FIVE MAJOR TRADE PROMOTION EVENTS. THE NUMBER OF AMERICAN BUSINESS VISITORS HAS INCREASED RAPIDLY AND OTHER ECONOMIC AND COMMERCIAL ACTIVITIES SHOW SIMILAR TREND. IN FY 78 FOUR MAJOR USDOC/BIC EVENTS ARE PLANNED. PROBABLY TWO OR THREE ADDITIONAL TRADE MISSIONS WILL BE ADDED TO PROMOTION SCHEDULE LATER. ALSO, EMBASSY RECOMMENDS USG PARTICIPATION IN 1979 KHARTOUM INTERNATIONAL EXHIBITION WHICH WOULD REQUIRE UNCLASSIFIED

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SUBSTANTIAL E/C EFFORTS IN FY 78. END SUMMARY.

1. COMMERCIAL SETTING: US ECONOMIC RELATIONS WITH SUDAN HAVE DRAMATICALLY IMPROVED. US EXPORTS HAVE EXCEEDED 100 MILLION US DOLLARS IN BOTH 1975 AND 1976 AND WILL CONTINUE TO INCREASE AS AMBITIOUS DEVELOPMENT PLANS ARE IMPLEMENTED. SUDAN PROBABLY WILL SOON BECOME THIRD MOST IMPORTANT SUB-

SAHARAN AFRICA EXPORT MARKET FOR US BEHIND NIGERIA AND SOUTH AFRICA. IN JULY 1977 SUDAN WILL LAUNCH ADACIOUS 7 BILLION US DOLLAR DEVELOPMENT PROGRAM. ARAB INVESTORS ARE PLANNING 5.7 MILLION US DOLLARS IN INVESTMENTS IN INFRASTRUCTURE AND AGRICULTURE UNDER AUSPICES OF NEWLY CREATED ARAB AUTHORITY FOR AGRICULTURAL INVESTMENT AND DEVELOPMENT. CAPITALIZING UPON SUDAN'S FAVORABLE FACTOR ENDOWMENTS IN AGRICULTURE, ARABS HOPE TO MAKE SUDAN BREADBASKET OF ARAB WORLD AND MAJOR EXPORTER OF AGRICULTURAL COMMODITIES AND LIVESTOCK. THESE INVESTMENT PLANS ARE CREATING SIGNIFICANT TRADE OPPORTUNITIES BOTH FOR SALES OF GOODS AND SERVICES. TRADE OPPORTUNITIES ARE PARTICULARLY ATTRACTIVE FOR AGRICULTURAL CONSTRUCTION AND TRANSPORT HEAVY EQUIPMENT. AGRI-BUSINESS MANAGEMENT SERVICES AND OTHER CONSTRUCTION AND ENGINEERING SERVICES ARE IN DEMAND. AMERICAN INVESTMENT IS INCREASING, PARTICULARLY IN PETROLEUM EXPLORATION. INTEREST OF AMERICAN FINANCIAL INSTITUTIONS IN SUDAN VERY GREAT. AMERICAN BANKS WILL ESTABLISH BRANCHES DURING 1977/78. LONG TERM INVESTMENT IN AGRI-BUSINESS APPEARS ATTRACTIVE AS INVESTMENT CLIMATE IMPROVES AND PRIVATE SECTOR GAINS GREATER ROLE IN ECONOMY. SUDAN OFFERS AMERICAN BUSINESS ONE OF MOST IMPORTANT AGRI-BUSINESS TRADE OPPORTUNITIES OF THE NEXT DECADE.

2. PERSONAL RESOURCES:

ROGER B. MERRICK FSO 4 CHIEF, ECONOMIC/COMMERCIAL
 SECTION
JOHN J. HARTLEY II FSO 7 ECONOMIC/COMMERCIAL OFFICER
BARBARA J. BRAITHWAITE FSS 8 SECRETARY
A/SALAM Y. HAMID FSL 1 SENIOR POLITICAL/ECONOMIC
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ASSISTANT

AHMED A/W M. SAID FSL 2 ECONOMIC/COMMERCIAL ASSISTANT
VACANT FSL 3 POLITICAL ASSISTANT
VACANT FSL COMMERCIAL ASSISTANT
SOHER E.S. ABBAS FSL 6 SECRETARY/COMMERCIAL ASSISTANT

STAFF RESOURCES ARE ALLOCATED APPROXIMATELY AS FOLLOWS:

SUPPORT OF TRADE PROMOTIONS 20 PERCENT
ECONOMIC AND COMMERCIAL REPORTING 30 PERCENT
SERVICES TO AMERICAN BUSINESS VISITORS 30 PERCENT
POLITICAL REPORTING 20 PERCENT

ECONOMIC AND COMMERCIAL REPORTING HAS BEEN LIMITED SEVERELY BY HEAVY WORKLOAD. ECONOMIC AND TRADE OPPORTUNITY REPORTING COULD BE SUBSTANTIALLY INCREASED WITH ADDITIONAL AMERICAN AND LOCAL PERSONNEL. TRADE PROMOTION ACTIVITIES IN FY 78 PROBABLY WILL REQUIRE MORE RESOURCES THAN CURRENT YEAR. FOUR MAJOR TRADE PROMOTION ACTIVITIES ARE ALREADY PLANNED, AND WE EXPECT ADDITION OF TWO - THREE TRADE AND INVESTMENT MISSIONS (IOGA

AND PERHAPS OPIC) PLUS EFFORTS TO ORGANIZE OFFICIAL USG PARTICIPATION IN KHARTOUM INTERNATIONAL FAIR IN FY 79. AT PRESENT, ASIDE FROM TRADE PROMOTIONS AND CONTACT WORK REQUIRED FOR BASIC ECONOMIC REPORTING, EMBASSY DOES NOT HAVE RESOURCES TO AGGRESSIVELY EXPAND CONTACTS WITH BUSINESS COMMUNITY AND GOVERNMENT OR EVEN TO ENCOURAGE GREATER US OF COMMERCIAL LIBRARY. FORTUNATELY, TRADE PROMOTIONS HAVE FOCUSED ON AGRICULTURE WHICH HAS PRODUCED MANY CONTACTS IN PRIORITY AREAS.

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ACTION EB-07

INFO OCT-01 AF-10 EUR-12 ISO-00 COME-00 /030 W
-----041050Z 122284 /12

R 031110Z MAY 77
FM AMEMBASSY KHARTOUM
TO SECSTATE WASHDC 4299
INFO AMEMBASSY ATHENS

UNCLAS SECTION 2 OF 2 KHARTOUM 1511

ATHENS FOR RTDO

FOR EB/OCA AND AF COMMERCIAL COORDINATOR

RESOURCES AVAILABLE FOR ECONOMIC AND COMMERCIAL ACTIVITIES WILL BE INCREASED BY RECENT DEPARTMENTAL AUTHORIZATION OF POLITICAL OFFICER POSITION. BEYOND THIS POSITION EMBASSY IS CURRENTLY EXAMINING E/C WORKLOAD AND MAY REQUEST ADDITIONAL E/C FSO POSITIN LATER THIS YEAR. ALSO, MORE FSL SUPPORT IS CLEARLY REQUIRED. EMBASSY CURRENTLY RECRUITING FOR POLITICAL ASSISTANT VACANCY, BUT OTHER VANANCY FOR COMMERCIAL ASSISTANT NOT FILLED BECAUSE OF HIRING FREEZE.

3. REVIEW OF FY 77 COMMERCIAL ACTIVITES: COMMERCIAL PROMOTIONS FOR FY 77 INCLUDED DAIRY TASK FORCE, AGRI-GUSINESS TECHNICAL SALES SEMINAR, TWO IOGA TRADE MISSIONS, AND BUILDING SUPPLIES AND EQUIPMENT CATALOG SHOW (AUGUST 1977). ALL TRADE PROMOTION EVENTS WERE EXTREMELY SUCCESSFUL FROM POINT OF VIEW OF PARTICIPANTS AND USG. THEY WERE WELL RECEIVED BY BOTH BUSINESS COMMUNITY AND HIGH LEVEL GOVERNMENT OFFICIALS. THEY CONSTITUTED CORE OF EMBASSY'S COMMERCIAL EFFORT. USIS SUPPORTED THESE EFFORTS WITH PUBLICITY AND ALSO TOOK LEAD IN VTR SHOWING OF AMERICAN AGRICULTURAL EQUIPMENT AT GOVERNMENT

AGRICULTURAL EXHIBITION. NUMBER OF AMERICAN BUSINESS VISITORS HAS INCREASED RAPIDLY. DURING LAST SIX MONTHS REPRESENTATIVES OF ALMOST ALL THE WORLD'S AGRI-BUSINESS COMPANIES HAVE VISITED

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KHARTOUM, IN ADDITION TO MANY BANKERS. WTDR REQUIREMENTS ARE INCREASING RAPIDLY AND IF ADS REPORTS INCREASE SIMILARLY SERIOUS PROBLEMS MAY BE ENCOUNTERED. E/C OFFICERS HAVE VISITED THREE MAJOR AGRICULTURAL PROJECTS (2.3 MILLION ACRE GIZERA PROJECT, 300,000 ACRE RAHAD PROJECT, AND 600 MILLION US DOLLAR KENANA SUGAR PROJECT IN ADDITION TO PORT SUDAN.

4. CAMPAIGNS AND OTHER SPECIAL EFFORTS DURING FY 78: THE FOLLOWING USDOC/BIC EVENTS ARE PLANNED:

DECEMBER 1977 MOTOR VEHICLE MAINTENANCE TRADE MISSION
FEBRUARY 1978 MODERN BUILDING SYSTEMS TECHNICAL SALES SEMINAR
MARCH 1978 AVIONICS TECHNICAL SALES SEMINAR
SEPTEMBER 1978 PUBLIC HEALTH TECHNICAL SALES SEMINAR

IN ADDITION TO THESE PROMOTIONS, WHICH WE BELIEVE OFFER EXCELLENT MARKET OPPORTUNITIES, WE ANTICIPATE TWO OR THREE ADDITIONAL SALES AND INVESTMENT MISSIONS FOCUSED ON AGRICULTURE. THE OVERSEAS PRIVATE INVESTMENT CORPORATION HAS BEEN CONSIDERING SENDING AN AGRICULTURE INVESTMENT MISSION. EACH OF THESE MISSION PROMOTIONS WILL REQUIRE ABOUT 2 1/2 MAN MONTHS OF E/C STAFF RESOURCES. EMBASSY HAD RECOMMENDED USG PARTICIPATION IN KHARTOUM INTERNATIONAL FAIR TO BE HELD IN JANUARY 1978. HOWEVER, FUNS WERE NOT AVAILABLE. EMBASSY CONSIDERS THIS EXHIBITION TO BE BEST PROMOTIONAL VEHICLE FOR SALE OF HEAVY AGRICULTURAL AND CONSTRUCTION EQUIPMENT AND, THEREFORE, RECOMMENDS USG PARTICIPATION IN 1979 KHARTOUM INTERNATIONAL EXHIBITION. IF THIS EXHIBITION IS APPROVED FOR FY 79, IT WILL REQUIRE SUBSTANTIAL E/C RESOURCES IN FY 78.

5. FINANCIAL RESOURCES SCHEDULE:

	FY 1976	FY 1977	FY 1978
	(ACTUAL)	(ESTIMATE)	(REQUESTED)
REPRESENTATION		\$250	\$600 \$1,000
TRAVEL	100	600	1,000

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CONTRACT SERVICES OF WHICH:

A. WTDR SUPPORT	0	0	0
B. PRINTING-NEWSLETTER	0	0	0

COMMERCIAL LIBRARY	NA	NA	NA
OTHER (INCL. POSTAGE)	NA	NA	NA
GRAND TOTAL	\$350	\$1,200	\$2,000

EXPENDITURES FOR BOTH REPRESENTATION AND TRAVEL HAVE BEEN RELATIVELY LOW DUE TO UNIQUE CIRCUMSTANCES. SUBSTANTIAL PORTION OF POST'S E/C REPRESENTATION HAS BEEN ACCOMPLISHED THROUGH FUNDING FROM TRADE PROMOTION ACTIVITIES. ALSO, FIGURES GIVEN DO NOT FULLY REFLECT THE ECONOMIC AND COMMERCIAL REPRESENTATION ACTIVITIES OF THE AMBASSADOR. B&F STAFF LIMITATIONS HAVE PREVENTED OUR REFINEMENT OF REPRESENTATIONAL EXPENDITURES BY CATEGORY. CONCERNING TRAVEL, ALMOST ALL ECONOMIC/COMMERCIAL SECTION TRAVEL IN AFRICA'S LARGEST COUNTRY HAS NOT INVOLVED USG PAYMENT FOR AIR FARES. THERE ARE MANY REGIONS AND PROJECTS WHICH SHOULD BE VISITED. FREE FUTURE TRANSPORTATION TO THESE PROJECTS CANNOT BE ASSURED. NONETHELESS, OUR FY 78 REQUEST IS MODEST. CONCERNING THE MIDDLE EAST-COMMERCIAL NEWSLETTER PUBLISHED BY RTDO IN ATHENS, WE DO NOT KNOW HOW COPIES WE RECEIVED ARE PAID FOR.

ROGER B. MERRICK (SIGNED)
PRINCIPAL E/C OFFICER

HARRY E. YOUNG (SIGNED)
PRINCIPAL ADMINISTRATIVE OFFICER
(PAR 5 ONLY)

BREWER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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SAS ID: 2319950
Secure: OPEN
Status: NATIVE
Subject: FY 1978 COMMERCIAL ACTION PROGRAM: SUDAN
TAGS: BEXP, AFSP, SU
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Type: TE
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